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SUBJECT: SECOND MISSILE DEFENSE AGREEMENT NEGOTIATION IN

PRAGUE

REF: A. PRAGUE 999

¶B. PRAGUE 591

11. (SBU) SUMMARY: Assistant Secretary of State for International Security and Nonproliferation John C. Rood and an interagency delegation met September 5 in Prague with a Czech delegation led by Deputy Foreign Minister Tomas Pojar for the second round of negotiations on the Ballistic Missile Defense Agreement (BMDA). The delegation reviewed the Czech BMD agreement counterproposal presented to the United States on August 9 and made substantial progress towards mutual acceptance of the BMD agreement text. While a number of areas remain to be negotiated, the round confirmed both sides are in full agreement on the broad concepts and principles to construct and operate a missile defense radar site in the Czech Republic. End summary.

12. (SBU) Citing political constraints, the Czech side repeatedly said they need to present parliament with favorable language in certain key areas of the agreement. These included clear assurances of sovereignty, statements of NATO involvement, environmental protection guarantees and preferential treatment for Czech contractors and companies (the latter raised for the first time in the negotiations by the Czech side). Throughout the discussions, the Czechs showed considerable flexibility in many of these areas to find compromise language. Considerable discussion focused on placement of the key provisions in the SOFA as opposed to the BMD agreement. Areas that remain to be resolved include payment of symbolic rent and claims, liability, and limitations on the number of U.S. personnel. Pojar noted that even if this favorable language is included, parliamentary ratification of both the BMD agreement and the SOFA supplemental are not without challenges. In response to U.S. statements that much of the language in the Czech counterproposal belonged in the SOFA supplemental, the Czechs made clear that they continue to regard the BMD agreement as the 'main agreement' and repeatedly said a broad-based SOFA would not win parlimentary approval, threatening ratification of the BMD agreement. The Czech stated preference is to limit the U.S.-Czech SOFA supplemental solely to the missile defense radar site. A/S Rood reiterated the U.S. need to conclude a broad-based SOFA covering all U.S. military activities in the Czech Republic.

13. (SBU) The U.S. delegation agreed to provide the Czech side with a working text of the agreement containing the agreed-upon language as well as bracketed areas which continue to be negotiated. The next round of negotiations is tentatively slated for the end of September or beginning of October, with dates to be determined by A/S Rood and DFM Pojar.

14. (SBU) COMMENT: Of the major challenges identified, the Czech desire for a limited SOFA supplemental agreement is the most significant hurdle. Pojar outlined two trains of thought acceptable to the Czechs: placing personnel issues in the SOFA and property and operational issues in the BMD agreement, or combining both pieces into one agreement. Some of this Czech concern may be mitigated next week when a separate delegation comes to Prague to negotiate the SOFA supplemental. End comment.
15. (SBU) A/S Rood has cleared this cable. THOMPSON-JONES